

3-9-06

RESOLUTION NO. 20060309-013

WHEREAS, pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code (the "*Act*"), the creation of the Travis County Housing Finance Corporation (the "*Corporation*") was approved by resolution of the governing body of Travis County, Texas (the "*Local Governmental Unit*"), to provide a means of financing the cost of residential ownership and development that will provide decent, safe and sanitary housing for persons and families of low and moderate income; and

WHEREAS, the Corporation desires and intends to issue its Single Family Mortgage Revenue and Refunding Bonds (GNMA and Fannie Mae Mortgage-Backed Securities Program) Series 2006 (the "*Bonds*") pursuant to the Act to defray, in whole or in part, the costs of purchasing or funding the making of home mortgages; and

WHEREAS, Section 394.005 of the Act provides that said Act does not apply to property located within a municipality with more than 20,000 inhabitants unless the governing body of such municipality approves the application of said Act to that property; and

WHEREAS, the effect of said Section 394.005 is that the proceeds of the Bonds may not be used to finance single family housing within the City of Austin, Texas (the "*City*"), without the approval of its governing body; and

WHEREAS, it is the desire of the City Council of the City to make available to citizens of low and moderate income of this City (as set forth herein) loans financed by the proceeds of the Bonds in order to provide favorable interest rates for first time home buyers who qualify for such loans; and

WHEREAS, the City Council desires that the Corporation make proceeds from the Bonds available within the City, provided: (i) any newly constructed housing will be S.M.A.R.T. Housing^(TM) certified; (ii) each home buyer receiving a loan from Bond proceeds attends a homeownership training class conducted by a HUD-Approved Homeownership Counseling Agency; (iii) the maximum purchase price of any home financed with Bond proceeds does not exceed \$210,375 A; (iv) issuance of the Bonds will have no negative impact on the ability of the Austin Housing Finance Corporation to receive a future allocation of single family mortgage revenue bond authority from the Texas Bond Review Board; and (v) the Corporation provides a bond covenant in its trust indenture acceptable to the City that issuance of its bonds and implementation of the bond program will have no negative impact on the ability of the Austin Housing Finance Corporation to receive a future allocation of single family mortgage revenue bond authority from the Texas Bond Review Board (collectively, the "City Bond Program Requirements"); and

WHEREAS, the Corporation has requested the approval of the governing body of the City to provide, with the proceeds of the issuance of the Bonds, financing for home mortgages for homes located in the City; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

Section 1: The recitals made above in this Resolution are hereby adopted in their entirety and incorporated herein as though set forth in full herein.

Section 2: The City Council hereby approves the application of the Act to property located within the City and grants its approval to the Corporation for the use of proceeds of the Bonds to finance home mortgages for homes located within the City, provided proceeds from the Bonds used to finance homes within the City comply with the City Bond Program Requirements.

Section 3: That it is officially found and determined that no provision of this Resolution shall make the City of Austin, Texas, this City Council, or any officer, agent, employee, or official of the City of Austin, Texas, liable in any respect whatsoever in regard to the Bonds, it being understood that the Bonds are solely to be repaid and secured from the sources described in the Indenture of Trust related thereto, none of which sources impose any liability whatsoever upon this City, this City Council, or the officers, agents, and employees of this City.

Section 4: To indicate the City's desire to participate in this program, a copy of this Resolution will be forwarded to the Corporation.

ADOPTED: _____, 2006 **ATTEST:** _____
Shirley A. Gentry
City Clerk